

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Senate Committee on Labor and Human Resources will be held on Thursday, April 2, 1998, 10:00 a.m., in SD-430 of the Senate Dirksen Building. The subject of the hearing is Metered Dose Inhalers. For further information, please call the committee, 202/224-5375.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GREGG. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Monday, March 30, 1998, at 2 p.m. for a hearing on the nominations of Elaine D. Kaplan to be the special counsel in the Office of Special Counsel, and Ruth Y. Goldway to be Commissioner of the Postal Rate Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

VENEZUELA'S IMPORTANCE TO HEMISPHERIC ENERGY SECURITY

• Mr. MURKOWSKI. Mr. President, recently some of my colleagues on the Energy Committee and I traveled to Venezuela to tour some of the oil and gas operations run by the state-owned oil company, Petroleos de Venezuela, S.A. (PDVSA), and to learn more about the U.S.-Venezuela relationship on energy matters. Not many weeks prior to our trip, I had traveled to Venezuela for the first time to attend and address the Hemispheric Energy Conference in Caracas, which was co-chaired by Energy Secretary Federico Pena.

As Chairman of the Committee on Energy and Natural Resources, I believe my colleagues should know the important role Venezuela plays in U.S. and hemispheric energy security. And, as a Senator strongly committed to preserving and strengthening the U.S. oil and gas industry, I believe it is essential that we understand to the fullest extent possible the relationships between our countries and energy industries, and how we stand in relation to the rest of the world. I think it is safe to say, Mr. President, that very few people in our country appreciate Venezuela's importance in the global energy picture.

Our visit to Venezuela was particularly timely in light of the recent drop in world oil prices and the agreement among OPEC and non-OPEC members to curtail production to halt the downward fall in prices. Venezuela is a member of OPEC, and is a country others are looking to for cooperation in scaling down production.

What my colleagues and I learned about Venezuela's energy industry

from our brief visit, Mr. President, is very impressive. I want to share some of the information we gathered with the rest of our colleagues in the Senate.

The United States and Venezuela have a long history of cooperation on energy matters. Venezuela has continuously provided oil to the U.S. for more than 70 years. During World War II, the Korean War, the conflict in Vietnam, and more recently the oil embargos and Persian Gulf War, Venezuela has been a stable and reliable source of oil for the United States. The U.S. presently imports just under 1.5 million barrels of oil a day from Venezuela, making Venezuela the largest supplier of crude. Venezuela, Mexico and Canada are the leaders in the Western Hemisphere in supplying oil to the U.S., which imports 52 percent of its daily production from that region.

Because of the proximity of our two countries, and certain synergies in our energy industries, the U.S. and Venezuela now enjoy a robust energy relationship that is triggering economic development and opening new trade and investment opportunities in both countries. To date, Venezuela's oil company has invested \$2 billion in the U.S., and is importing hundreds of millions of dollars in U.S. goods and services used for energy production in Venezuela. A new bilateral investment protection treaty presently being negotiated between the two countries will afford U.S. investors greater safeguards in such important areas as capital transfers, international arbitration, intellectual property rights and others, and will put U.S. investors on an even playing field with investors from other countries.

Venezuela has 75 billion barrels of proven conventional crude oil reserves, ranking fifth-largest in the world and first outside of the Middle East. By comparison, U.S. crude oil reserves are three times smaller. In Venezuela's Orinoco Belt, which we visited, there are 1.2 trillion barrels of extra-heavy oil in place. Using a conservative rate of recovery of 20 to 25 percent at today's technology, it is estimated that 270 to 320 billion barrels of this resource could be recovered and used as a boiler fuel. In addition, Venezuela has 146 trillion cubic feet of natural gas reserves, which rank seventh-largest in the world. The U.S. is sixth in the world with 165 trillion cubic feet of natural gas reserves.

Mr. President, Venezuela is prepared to share its abundant oil resources with the rest of the world, and is implementing plans to almost double oil production from 3.7 to 6.5 million barrels per day by the year 2007. In order to do so, PDVSA plans to invest \$65 billion in the next 10 years, \$37 billion of which will come from its own revenue stream. \$18 billion will come from PDVSA's foreign partners, and \$10 billion will come from strategic alliances with foreign firms. Of the \$65 billion total investment, PDVSA plans to invest \$1.5 billion in the U.S.

To expand production and improve operating efficiency, PDVSA has undertaken several rounds of "oil openings," a process in which participation of companies operating around the world is solicited in an open bidding process. In the first round of bidding, ten light- and medium-crude fields were opened to foreign investment. Eight of the ten successful bidders were companies operating in the U.S.—Amoco, BP America, Benton Oil and Gas Company, Dupont Conoco, Enron Oil and Gas Company, Louisiana Land and Exploration Company, Maxus Energy Corp., and Mobil Corp.

PDVSA is involved in five joint ventures with U.S. companies to open Venezuela's extensive heavy oil reserves in the eastern Orinoco Belt and the western Boscan field. Those companies are Arco, Chevron, Conoco, Mobil and Total, N.A.

In addition, PDVSA has issued more than a dozen contracts to companies to develop marginal and inactive oil fields that contain approximately 2 billion barrels of light and medium crude oil. Those companies include Amoco, Benton Oil and Gas Co., Chevron, Mosbacher Energy Company, Occidental, Pennzoil, Total, and Shell.

Similar opportunities for investment in Venezuelan joint ventures lie ahead for U.S. companies.

Mr. President, the harsh reality is that the U.S. will import greater and greater amounts of oil to meet its domestic energy needs in the coming decades, notwithstanding our efforts to maintain a viable domestic oil and gas industry. Presently, the U.S. is importing about 54 percent of its daily crude oil needs, and that level is expected to exceed 60 percent in a few short years.

I believe U.S. government policies should favor reasonable oil and gas exploration and production efforts, fair royalty and tax treatment, and balanced environmental and conservation measures so that we can produce our own energy for our growing economy. Unfortunately, the Administration does not have those goals in mind, and does not see the importance of setting a national energy policy.

In my State of Alaska, we have potentially large untapped crude oil reserves in the ANWR and on the Alaska Outer Continental Shelf. The Administration does not support environmentally responsible exploration of ANWR, however. Elsewhere in the lower 48 states, the Administration is frustrating exploration and production activities on federal lands by removing promising acreage from inventory of lands accessible for exploration purposes, and is making more difficult the job of producing energy by imposing onerous economic and regulatory requirements.

Now, at a time when world oil prices are plummeting to record lows, it will be more and more difficult for American companies to produce oil at a reasonable price. While this is good news